

## **The Boeing Company's Support for the Dominican Republic-Central America Free Trade Agreement**

### **Statement of Support**

As the nation's largest exporter of manufactured goods, where seven out of ten Boeing commercial aircraft are historically exported to a foreign customer, Boeing believes it is critical to advance free trade and market liberalization throughout the world. This is accomplished through regional and bilateral agreements, as well as through the broader World Trade Organization Doha Round.

Passage of the Dominican Republic-Central America Free Trade Agreement (DR-CAFTA) will fuel economic growth within our own borders, as well as growth within the economies of the other participating countries. A free trade agreement will also promote the rule of law and greater regulatory transparency, which, in turn, will attract investment for our trading partners. The effect will be to modernize the DR-CAFTA economies and provide greater opportunity for two-way trade.

Moreover, adoption and implementation of such an agreement will also reaffirm to our trading partners and the rest of the world that the U.S. continues to believe in the powerful impact of trade and its beneficial effect on the millions of people living in poverty. Lifting the economies of the world through these agreements is consistent with our Government's efforts to defeat tyranny and terrorism.

### **Impact on Boeing Interests**

Although Boeing does not have a significant customer base in the countries participating in these negotiations, passage of DR-CAFTA will enhance general economic development in the region. With air travel directly linked to GDP growth, economic expansion will translate into increased air travel and cargo movements and the demand for additional commercial aircraft.

Boeing forecasts air travel in Latin America to grow 7.3% annually over the next 20 years. This is a relatively high rate of growth in travel when compared to the 4.9% growth that is forecast for the world during the same period. In the next 20 years, Boeing estimates that Latin America will need about 2,000 airplanes. These planes will most likely be single-aisle aircraft such as the 737 and twin-aisle airplanes such as the 767, 777 and 787. Currently, more than 75% of the airline fleets in Latin America consist of Boeing aircraft.

2/3/05